

Rec'd 1/21/15 -BO

## IMTT-Bayonne

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IMTT – Bayonne  
250 East 22nd Street, Bayonne, NJ 07002

January 15, 2015

Mr. Byron Coy, PE,  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration  
820 Bear Tavern Road, Suite 103  
West Trenton NJ 08628

RE: Notice of Probable Violation (NOPV) and Proposed Compliance Order Letter  
CPF 1-2014-5008

Dear Mr. Coy:

IMTT – Bayonne is in receipt of the subject NOPV and Proposed Compliance Order and has completed a review of the documents.

IMTT – Bayonne does not wish to contest the alleged violations in the NOPV, nor does IMTT – Bayonne wish to propose a modification to the remedial requirement tasks presented in the Proposed Compliance Order.

IMTT – Bayonne is requesting changes to the proposed timeframes for task completion. Further, IMTT – Bayonne is requesting language changes that should clarify the proposed compliance order requirements. These change requests are detailed in Attachment 1, which is the original Proposed Compliance Order modified with underlined additions, stricken-through deletions, and (for ease of review) bolded timeframes.

Per the meeting directive from PHMSA in April 2014 to continue work while the NOPV was being written, IMTT – Bayonne has been working on compliance activities and has provided in Attachment 2 a brief status of progress with regard to the proposed compliance order activities. It is important to note that the tasks being undertaken by IMTT – Bayonne include more than the activities listed in the proposed Compliance Order.

IMTT – Bayonne would welcome the opportunity to meet with PHMSA prior to issuance of the Final Compliance Order and provide an updated presentation on the compliance activities that were discussed in the April 2014 meeting.

IMTT – Bayonne is committed to operating these PHMSA regulated assets in a safe and compliant manner. Please feel free to contact me with any questions or clarifications regarding our proposed timeframe and language changes.

As during 2014, we are proceeding with compliance activities while we await your response.

Sincerely,



Richard Fisette

## Attachment 1: Change Requests to the Proposed Compliance Order

### Proposed Compliance Order

Pursuant to 49 United States Code Sec. 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to IMTT – Bayonne a Compliance Order incorporating the following remedial requirements to ensure the compliance of IMTT – Bayonne with the pipeline safety regulations:

- 1) With respect to Item Number 1 of the Notice, pertaining to IMTT – Bayonne failure to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies, IMTT – Bayonne shall complete, at a minimum, the following actions:
  - a) Provide a current map of the jurisdictional pipeline system that includes the information of the location and identification of all assets within **30 days** of the issuance of the Final Order.
    - i) Note 1: For facility piping, this map will show the approximate centerline of the facility piping (+/- 10 feet), but will not include individual segments of pipe or labeled components.
    - ii) Note 2: For transmission pipelines (lines outside of the fence line), the maps will be made using the same centerlines that will be submitted for National Pipeline Mapping Service (NPMS) purposes.
    - iii) Note 3: Maps for each breakout tank yard will be provided that shows each tank labeled.
  - b) Provide current piping and instrumentation diagrams showing the jurisdictional components of the pipeline system ~~within 30 days of issuance of the final order:~~
    - i) Bergen Point Facility – within 30 days of issuance of the Final Order.
    - ii) Curries Facility – within 30 days of issuance of the Final Order.
    - iii) Packards Facility – within 30 days of issuance of the Final Order.
    - iv) 5th Street Facility – within 30 days of issuance of the Final Order.
    - v) Bayonne Plant site:
      - (1) Yard 9 Flip, Yard 5, A-Hill Yard, Yard 1 facilities – within 90 days of issuance of the Final Order.
      - (2) Yard 6, Yard 4, Yard 4 Flip, Yard 8 Facilities – within 180 days of issuance of the Final Order.
  - c) Provide an updated "Breakout Tank Listing" of all jurisdictional breakout tanks within **30 days** of issuance of the Final Order.
  - d) Establish and implement a manual of written procedures that fulfill the requirements of Sec. 195.402 in its entirety (e.g. Emergency Response Training Program, Public Awareness Program, Damage Prevention Program, Control Room Management Procedures, Integrity Management Program, Corrosion Control Procedures, OM&E Manual) within **180 days** of issuance of the Final Order.

- 2) With respect to Item Number 2 of the Notice, pertaining to IMTT – Bayonne failure to maintain detailed records to demonstrate that the maximum operating pressure (MOP) of its jurisdictional pipeline segments were determined in accordance with Sec. 195.406(a), IMTT – Bayonne shall comply with the following:
- a) Provide records that detail the existing MOP of all jurisdictional pipeline segments that were determined in accordance with Sec. 195.406 within **90 days** of the issuance of the Final Order.
  - b) For those pipeline segments that do not have detailed MOP records as described above, develop a plan to establish MOP in accordance with Sec. 195.406. ~~Within 120 days of issuance of the Final Order,~~ The plan must be submitted to the Region Director for possible modification and approval based on the following schedule:
    - ◆ Phase 1 - Transmission pipeline segments (i.e., lines running outside of the fence line): within 90 days of issuance of the Final Order.
    - ◆ Phase 2 – Breakout Tanks: includes no pipeline segments.
    - ◆ Phase 3 – Facility Pipe segments (i.e., segments that connect the transmission pipe segments to the breakout tanks): within 270 days of issuance of the Final Order.

The plan must include the following (Note: There will be 2 plans: Phase 1 – Transmission Pipelines and Phase 3 – Part 195 Facility Pipe Segments.):

    - i) A list of all jurisdictional pipe segments.
    - ii) Delineate those segments needing pressure testing from any not needing pressure tests.
    - iii) Pressure tests in accordance with Subpart E in 49 CFR 195
    - iv) Safety Measures that should be taken pre- and post-pressure testing.
    - v) Documentation showing completion of any associated repairs identified during the pressure test in accordance with appropriate procedures and federal pipeline safety regulations.
    - vi) Documentation and recordkeeping must be consistent with appropriate regulations in 49 CFR Part 195
    - vii) Submission of quarterly reports describing all work performed to date and forecasting scheduled work.
    - viii) Plan to detail the sequence of any pressure testing, where higher risk segments are tested before lower risk segments.
    - ix) Actual pressure testing: ~~to begin within 180 days of the issuance of the Final Order.~~
      - (1) Actual pressure testing to begin on Phase 1 (transmission segments) within 90 days of the issuance of the Final Order.
      - (2) Actual pressure testing to begin on Phase 3 (Part 195 facility pipe segments) within 180 days of the issuance of the Final Order.
    - x) All pressure-testing ~~to be successfully completed and incorporated into records within 720 days of the issuance of the Final Order:~~
      - (1) Pressure testing of Phase 1(transmission segments) to be successfully completed and incorporated into records within 180 days of the issuance of the Final Order – for all but the 16" Packards to Curries pipe segment.
      - (2) Pressure testing of Phase 1 (transmission segments) to be successfully completed and incorporated into records within 365 days of the issuance of the Final Order for the 16" Packards to Curries pipe segment. This segment is being

reconfigured to accommodate the New Jersey Turnpike Authority – pressure testing will occur as part of this reconfiguration. There have been delays in getting permits.

- (3) Pressure testing of 67% of the length of Phase 3 (Part 195 facility pipe) to be successfully completed and incorporated into records within **720 days** of the issuance of the Final Order.
  - (4) Pressure testing of 100% of the length of Phase 3 (Part 195 facility pipe) to be successfully completed and incorporated into records within **1,080 days** of the issuance of the Final Order.
- c) Upon Approval from Region Director, IMTT – Bayonne must execute the plan.
  - d) IMTT – Bayonne must make any and all associated records, and their related procedures, available for review.
- 3) With respect to Item Number 3 of the Notice, pertaining to IMTT – Bayonne failure to have and follow a written qualification program (OQ program), IMTT – Bayonne shall complete at a minimum, the following actions:
    - a) Establish and implement an OQ program for all tasks that meet the four-part test in sec 195.501. The OQ program must be consistent with Sec. 195.505. Within **180 days** of the issuance of the Final Order:
      - i) Provide a copy of the completed OQ program.
      - ii) Provide a listing of all tasks that are required to be performed by qualified individuals.
      - iii) Provide a listing of all qualified individuals, and the tasks and dates for which they were qualified.
  - 4) All documentation demonstrating compliance with each of the items outlined in this Compliance Order must be submitted to Byron Coy, PE, Director, Eastern Region, PHMSA, Bear Tavern Road, Suite 103, West Trenton, NJ 08628.
  - 5) It is requested (not mandated) that IMTT – Bayonne maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, PE, Direction Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total costs associated with the preparation/revision of plans, procedures, studies, and analyses, and 2) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

## Attachment 2: Proposed Compliance Order Status Report - 15 January 2015

- 1) Manual of written procedures.
  - a) Map of jurisdictional pipeline system – The centerlines have been captured, and maps will be made from using the centerlines.
  - b) IMTT – Bayonne has contracted with an engineering company to create P&IDs of the jurisdictional facilities. The satellite facilities (Curries, Packards, and Bergen Point) are completed. The 5th Street Facility is in progress. The IMTT – Bayonne main plant-site will be completed next. The proposed dates in Attachment 1 represent current expectations for completion.
  - c) An updated list of breakout tanks listing has been completed.
  - d) IMTT – Bayonne has contracted with an experienced industry consultant to prepare a document of the required written procedures for operating a PHMSA-jurisdictional pipeline system. This manual is currently in draft form and is undergoing internal IMTT – Bayonne review.
- 2) MOP establishment of jurisdictional pipeline segments.
  - a) Existing records have been gathered and can be provided within the proposed (above) timeframe.
  - b) Pressure Tests
    - i) Planning Documents
      - (1) Phase 1: IMTT – Bayonne has contracted for the preparation of the Transmission Pipeline Segments MOP Establishment Plan. This document is in draft form and being reviewed internally at IMTT – Bayonne.
      - (2) Phase 3: IMTT – Bayonne has contracted for the preparation of the Part 195 Facility Pipeline Segments MOP Establishment Plan. This was identified as Phase 3 work and will commence shortly as the P&ID work is completed.
    - ii) Pressure Testing.
      - (1) Phase 1: Pressure testing is due to begin within **90 days** on the transmission pipeline segments.
      - (2) Phase 3 – Pressure testing is planned to begin on the Part 195 facility pipe in 2016 (Note: IMTT – Bayonne will continue to test these lines to the Coast Guard standard as has been the normal practice).
- 3) IMTT – Bayonne OQ program: IMTT – Bayonne has contracted with an industry consultant to prepare a written OQ program. This program and the proposed implementation are in draft form and are undergoing internal review at IMTT – Bayonne.
- 4) Documentation submittal instructions: acceptable.
- 5) Safety improvement cost tracking: IMTT – Bayonne is investigating ways that cost tracking can be facilitated within IMTT – Bayonne's cost tracking and business management software package. Request is acceptable.

In addition to the above discussed tasks, IMTT – Bayonne has been working toward compliance with several other PHMSA Part 195 rule requirements. As discussed earlier, IMTT – Bayonne would welcome the opportunity to brief PHMSA on the progress.